

E-File: September 30, 2009

James I. Stang, Esq. (CA Bar No. 94435)
 Shirley S. Cho, Esq. (CA Bar No. 192616)
 Werner Disse, Esq. (CA Bar No. 143458)
PACHULSKI STANG ZIEHL & JONES LLP
 10100 Santa Monica Blvd., 11th Floor
 Los Angeles, California 90067-4100
 Telephone: 310/277-6910
 Facsimile: 310/201-0760
 Email: jstang@pszjlaw.com
 scho@pszjlaw.com
 wdisse@pszjlaw.com

Zachariah Larson, Esq. (NV Bar No. 7787)
LARSON & STEPHENS
 810 S. Casino Center Blvd., Ste. 104
 Las Vegas, NV 89101
 Telephone: 702/382.1170
 Facsimile: 702/382.1169
 Email: zlarson@lslawnv.com

Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

In re:

THE RHODES COMPANIES, LLC, aka "Rhodes
 Homes," et al.,¹

Debtors.

Case No. 09-14814 LBR

Date: October 2, 2009

Time: 1:30 p.m.

Place: Courtroom 1

☒ Affects All Debtors
☐ Affects the following Debtors:

**THIRD STIPULATION RE EMERGENCY MOTION TO EXTEND CASH
 COLLATERAL TERMINATION DATE [RE: DOCKET NO. 236]**

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20 LLC (Case No. 09-14848); Tuscany Acquisitions IV LLC (Case No. 09-14849); Tuscany Acquisitions III LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf and Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, LLC (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

1 This Stipulation is entered into by and between the above-captioned Debtors and Debtors
 2 in Possession (the “Debtors”), the First Lien Steering Committee (“FLSC”), the Administrative
 3 Agent for the First Lien Lenders (the “Agent”), and the Official Committee of Unsecured
 4 Creditors (the “OCUC”). The foregoing parties (together, the “Parties”) hereby enter into this
 5 Stipulation and agree as follows:

6 RECITALS

7
 8 WHEREAS, on April 30, 2009, the Court entered that *Final Stipulated Order (I)*
 9 *Authorizing Use of Cash Collateral Pursuant to Sections 105, 361, 362 and 363 of the Bank-*
 10 *ruptcy Code and (II) Granting Adequate Protection and Super Priority Administrative Expense*
 11 *Priority to Prepetition Secured Lenders re Debtors’ Motion for Interim and Final Orders*
 12 *Pursuant to Sections 105, 361, 362, 363, and 364, etc. [Docket No. 126] (the “Final Cash*
 13 *Collateral Order”);*

14
 15 WHEREAS, the Debtors filed the *Emergency Motion to Extend Cash Collateral Termi-*
 16 *nation Date [Docket No. 236] (the “Cash Collateral Extension Motion”);*

17
 18 WHEREAS, the FLSC filed the *Objection of the First Lien Steering Committee to*
 19 *Debtors’ Emergency Motion for an Order Extending Cash Collateral Termination Date [Docket*
 20 *Number 236] [Docket No. 321];*

21
 22 WHEREAS, the Agent filed the *Objection to and Joinder in First Lien Steering Com-*
 23 *mittee's Objection to Debtors' Emergency Motion for an Order Extending Cash Collateral*
 24 *Termination Date [Docket No. 314];*

25
 26 WHEREAS, the OCUC filed the *Committee's Statement Regarding Debtors' Pending*
 27 *Motions to Extend Exclusivity and Allow Continued Use of Cash Collateral [Docket No. 324];*

28
 29 WHEREAS, the Parties have previously entered into the Plan and Exclusivity Stipulation
 (the “First Stipulation”), which Stipulation was approved by the *Order Granting Plan Exclusivity*

LARSON & STEPHENS
 810 S. Casino Center Blvd., Suite 104
 Las Vegas, Nevada 89101
 Tel: (702) 382-1170 Fax: (702) 382-1169

and Cash Collateral Stipulation [Docket No. 336];

WHEREAS, the Parties have entered into the Second Plan and Exclusivity Stipulation (the "Second Stipulation"), which Stipulation was approved by the *Order Granting Second Plan Exclusivity and Cash Collateral Stipulation* [Docket No. 444];

WHEREAS, pursuant to the Second Stipulation, the Cash Collateral Termination Date as defined in the Final Cash Collateral Order is currently set to expire on October 2, 2009 at 11:59 p.m. prevailing pacific time;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), it is hereby stipulated and agreed by and between the Parties as follows:

AGREEMENT

1. Subject to the Debtors' continued compliance with all other terms of the Final Cash Collateral Order, the First Lien Steering Committee has agreed to an extension of the Cash Collateral Termination Date set forth in paragraph 3(i)(a) of the Final Cash Collateral Order through January 11, 2010 at 11:59 p.m. (prevailing Pacific Time) based on the Budget attached hereto as Exhibit A (but solely through the time period of January 11, 2010), which shall supersede any other previously filed Budget, with all other provisions of the Final Cash Collateral Order remaining in full force and effect, except for compliance with paragraph 3(b) regarding Pinnacle, which the FLSC and Agent waived under the First Stipulation.

2. The Challenge Period set forth in paragraph 10 of the Final Cash Collateral Order shall be extended through and including January 11, 2010.

3. The parties agree and acknowledge that line item 12 is for estimation purposes only and the Debtors shall consult with and obtain the consent of the FLSC, through Winchester Carlisle Partners, before expending any sums in connection with line item number 12 with respect to insurance premium renewals.

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810 S. Casino Center Blvd., Suite 104
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Tel: (702) 382-1170 Fax: (702) 382-1169

4. The Cash Collateral Extension Motion shall be deemed resolved as set forth above.

Dated: September 30, 2009

APPROVED

By: /s/ Philip C. Dublin
AKIN GUMP STRAUSS
HAUER & FELD LLP
Ira S. Dizengoff (NY Bar No. 2565687)
Philip C. Dublin (NY Bar No. 2959344)
Abid Qureshi (NY Bar No. 268437)
One Bryant Park
New York, NY 10036
Counsel for the First Lien Steering Committee

APPROVED

By: /s/ James I. Stang
James I. Stang
Pachulski Stang Ziehl Young & Jones LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90067
Counsel for Debtors and Debtors-in-Possession

APPROVED

By: /s/ Ramon M. Naguiat
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Ramon M. Naguiat
300 S. Grand Ave., #3400
Los Angeles, CA 90071
*Counsel for Credit Suisse, Cayman Islands
Branch, as Agent for First Lien Lenders*

APPROVED

By: /s/ J. Thomas Beckett
J. Thomas Beckett
Parsons Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
Salt Lake City, UT 84111
*Counsel for Official Committee of
Unsecured Creditors*

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

EXHIBIT A

Rhodes Homes 16 Week Cash Flow Forecast
Revised 9/30/2009

Starting Cash on 9/25/2009 (Projection)		\$ 4,521,342																
Line #	Week Ending	27 10/2/2009	28 10/9/2009	29 10/16/2009	30 10/23/2009	31 10/30/2009	32 11/6/2009	33 11/13/2009	34 11/20/2009	35 11/27/2009	36 12/4/2009	37 12/11/2009	38 12/18/2009	39 12/25/2009	40 1/1/2010	41 1/8/2010	42 1/15/2010	Totals
1	Units Closed - Backlog (Sold)	5	1	2	2	3	1	3	4	6	9	5	4	1	2	4	5	57
2	Units Closed - New Sales Not Started (Projected)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Units Closed - Unsold Standing Inventory (Projected)	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
4	Net Revenues - Backlog (Sold)	\$ 1,278,558	\$ 162,721	\$ 356,142	\$ 715,108	\$ 733,630	\$ 266,338	\$ 829,882	\$ 845,113	\$ 1,438,265	\$ 2,542,909	\$ 1,220,547	\$ 742,275	\$ 225,256	\$ 354,246	\$ 834,033	\$ 1,259,350	\$ 13,804,372
5	Net Revenues - New Sales Not started (Projected)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Net Revenues - Unsold Standing Inventory (Projected)	-	-	-	-	-	-	-	-	-	-	-	-	-	363,100	-	-	363,100
7	Revenues - Park Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Tuscany Golf Course Revenues	25,000	81,000	99,000	81,000	80,000	59,000	57,000	64,000	43,000	48,000	38,000	23,000	18,000	52,000	50,000	50,000	868,000
9	Pinnacle Grading Revenues	-	-	1,237,946	62,535	250,000	-	-	846,424	-	-	-	-	-	-	-	-	2,396,905
10	Miscellaneous Refunds, Fees, True Ups	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Total Cash Receipts	1,303,558	243,721	1,693,087	858,643	1,063,630	325,338	886,882	1,755,537	1,481,265	2,590,909	1,258,547	765,275	243,256	769,346	884,033	1,309,350	17,432,377
12	Insurance Renewals	-	206,494	-	-	-	137,967	-	-	-	157,829	-	-	-	-	-	-	502,290
13	IT Services / Equip.	8,591	-	-	-	-	8,591	-	-	-	8,591	-	-	-	8,591	-	-	34,362
14	Storage	1,635	-	-	-	-	1,635	-	-	-	1,635	-	-	-	1,635	-	-	6,540
15	Rent	30,509	-	-	-	-	30,509	-	-	-	30,509	-	-	-	30,509	-	-	122,035
16	Brokerage License	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-	-	4,000
17	HOA Fees (1)	7,760	-	-	-	-	9,260	-	-	-	9,260	-	-	-	9,260	-	-	35,540
18	Model Home Leases (2)	31,052	-	-	-	-	31,052	-	-	-	27,072	-	-	-	23,092	-	-	112,267
19	Total 1st of Month Payments	80,546	206,494	-	-	-	220,013	-	-	-	235,895	-	-	-	74,086	-	-	817,034
20	Rhodes Homes Payroll	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	73,202	1,171,232
21	Rhodes Homes Ordinary Course Professionals	-	-	30,000	-	-	-	45,000	-	-	-	65,000	-	-	-	50,000	-	190,000
22	Rhodes Homes Consultants	-	-	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	-	200,000
23	Rhodes Homes AZ Payroll	813	813	813	813	813	813	813	813	813	813	813	813	813	813	813	813	13,015
24	Pinnacle Payroll	8,806	8,906	5,896	5,896	5,896	5,896	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	1,561	73,447
25	Total Payroll and Benefits	82,821	82,921	109,911	79,911	99,911	99,911	142,414	97,414	97,414	97,414	162,414	97,414	97,414	97,414	127,414	75,576	1,647,694
26a	Pinnacle (Job Cost)	3,584	2,146	1,240,165	53,800	91,200	2,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	950	950	950	1,404,345
26b	Pinnacle (Overhead)	20,410	11,714	21,917	7,251	21,511	51,396	4,446	6,018	8,800	11,785	4,446	4,446	8,665	10,585	4,446	4,446	202,281
27	Pinnacle (Equipment Notes Payments)	15,511	66,226	-	-	20,584	14,251	66,226	-	20,584	14,251	66,226	-	19,324	15,511	66,226	-	384,920
28	RH Vertical Costs to Complete - Backlog+Standing (Unsold)	550,672	377,315	380,464	380,464	370,452	380,464	370,452	340,415	310,379	310,379	320,391	340,415	290,354	335,409	240,293	150,183	5,448,501
29	RH Vertical Costs to Complete - New Sales Not Started(4)	-	5,750	28,750	46,000	57,500	80,500	130,750	149,500	172,500	195,500	212,750	241,500	264,500	270,250	230,000	212,750	2,298,500
30	Rhodes Homes Land Dev. (Cost to Complete)	40,728	36,693	45,142	28,829	30,066	39,658	36,387	27,562	19,301	25,760	23,336	87,993	16,902	19,964	2,617	9,708	490,646
31	Rhodes Ranch Park (Job Cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Rhodes Homes Warranty Repairs (Job Cost)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	120,000
33	Rhodes Homes Vertical Costs - Pre Petition	-	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	42,000
34	Rhodes Homes Land Dev. - Liens	35,000	-	9,000	9,000	9,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	150,000
35	Rhodes Homes Land Dev. - Park A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total Job Cost	673,405	507,344	1,735,938	535,845	610,813	586,969	627,961	543,195	551,263	577,374	646,849	694,054	619,445	671,169	563,032	396,537	10,541,194
37	Sales / Marketing	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	14,695	235,127
38	G & A	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,501	15,502	248,003
39	Utility Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Builder Subsidies to Tuscany HOA (5)	18,349	-	-	-	-	18,349	-	-	-	18,349	-	-	-	18,349	-	-	73,396
41	Sales and Use Tax / Property Taxes	-	397,534	-	-	10,000	-	-	-	10,000	-	-	-	10,000	-	-	397,534	825,068
42	Debtor's Restructuring Professionals (6)	344,208	-	25,000	-	-	-	212,500	51,250	-	-	292,500	21,250	-	-	324,040	-	1,270,748
43	Committee's Restructuring Professionals (7)	-	22,351	-	-	-	-	22,351	-	-	-	22,351	-	-	-	29,750	-	96,804
44	Lenders' Professionals (9)	288,000	210,000	-	84,167	-	-	250,000	200,000	-	-	390,000	-	-	-	-	350,000	1,772,167
45	US Trustee Payment Center	-	-	-	-	55,000	-	-	-	-	-	-	-	-	-	-	-	55,000
46	Employee & Consultant Housing and Travel Expenses	4,500	2,000	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	2,000	2,000	42,000
47	G&A Expenditures	685,252	662,081	57,195	116,362	97,195	53,044	517,047	283,445	42,195	53,044	737,047	53,445	42,195	53,044	385,986	779,731	4,618,312
48	Tuscany Golf Course Costs	60,000	116,600	68,500	24,060	71,500	77,500	73,500	20,000	76,260	75,500	73,500	20,000	76,260	75,500	65,560	20,000	994,240
49	Starting Cash Position	4,521,342	4,242,876	2,911,157	2,632,700	2,735,163	2,919,374	2,207,274	1,733,234	2,544,716	3,258,848	4,810,529	4,449,265	4,349,627	3,757,568	3,555,700	3,297,740	4,521,342
50	Projected Net Revenue	1,303,558	243,721	1,693,087	858,643	1,063,630	325,338	886,882	1,755,537	1,481,265	2,590,909	1,258,547	765,275	243,256	769,346	884,033	1,309,350	17,432,377
51	Disbursement for Week	1,582,024	1,575,440	1,971,545	756,179	879,420	1,037,438	1,360,922	944,055	767,133	1,039,228	1,619,810	864,914	835,315	971,213	1,141,993	1,271,845	18,618,474
52	Ending Cash Position	\$ 4,242,876	\$ 2,911,157	\$ 2,632,700	\$ 2,735,163	\$ 2,919,374	\$ 2,207,274	\$ 1,733,234	\$ 2,544,716	\$ 3,258,848	\$ 4,810,529	\$ 4,449,265	\$ 4,349,627	\$ 3,757,568	\$ 3,555,700	\$ 3,297,740	\$ 3,335,245	3,335,245

Notes:
(1) HOA fees paid for completed communities in which the Company continues to own lots / property - (i) Spanish Hills \$2,760, (ii) \$5,000 X-It, and (iii) \$1,500 West 57th.
(2) Lease payments paid to owners of model homes (11 units) which are representative of product that continues to be sold in Tuscany and in Rhodes Ranch.
(4) Vertical construction costs incurred related to prospective, ongoing sales of product that are at the dirt lot phase of construction.
(5) Includes monthly (i) \$1,600 sales office rent estimate and (ii) \$16,749 Tuscany HOA support.
(6) Payments to Pachulski-Stang, Larson & Stephens, Omni, Acceleron Group and the Sullivan Group.
(7) Payments to Beckett
(8) Payments to WCP, Akin Gump, Koslear & Leatham.